

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Robert G. Taub, Vice Chairman;  
Mark Acton;  
Tony Hammond; and  
Nanci E. Langley

Market Test of Experimental Product-  
International Merchandise Return Service  
Non-Published Rates

Docket No. MT2013-2

ORDER AUTHORIZING MARKET TEST TO PROCEED AND  
GRANTING EXTENSION

(Issued August 12, 2013)

I. INTRODUCTION

On July 1, 2013, the Postal Service filed a notice, pursuant to 39 U.S.C. § 3641, announcing its intent to conduct a market test of a competitive experimental product called International Merchandise Return Service – Non-Published Rates (IMRS-NPR).<sup>1</sup> IMRS-NPR is comprised of Air Parcels or Express Mail Service (EMS) packages returning to the United States that originate from a foreign territory served by another postal operator with which the Postal Service has made an arrangement for a return

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<sup>1</sup> Notice of the United States Postal Service of Market Test of Experimental Product – International Merchandise Return Service – Non-Published Rates (IMRS-NPR) and Notice of Filing IMRS-NPR Model Contract and Application for Non-Public Treatment of Materials Filed Under Seal, July 1, 2013 (Notice).

service. *Id.* at 2. The Commission finds that the market test meets the requirements of section 3641, and therefore authorizes the market test.

## II. BACKGROUND

### A. Market Test Description

IMRS-NPR items consist of returned merchandise that consumers purchased through online retailers in the United States. IMRS-NPR will enable foreign consumers to create return labels and postage payment to return products back to the United States. The consumer can create a shipping label and send it to the merchant through the consumer's postal channel. *Id.* at 2.

The Postal Service explains that many shipping companies create methods to improve ease of use by creating labels for the merchants and either sending the labels by e-mail to their customers or providing labels for use if an item is returned. It states that returns are an inevitable part of international online commerce, and customers consider returns as an important part of international shipping. It concludes that the IMRS-NPR market test will increase the overall value of the services the Postal Service can offer to consumers. *Id.*

The Postal Service intends to offer IMRS-NPR for returns originating in Australia and Canada through the air parcel stream pursuant to amendments to bilateral agreements with the postal operators of these countries. *Id.* at 7.

The Postal Service amended the Canada Post – USPS Contractual Bilateral Agreement 2012-2013 (CPC Agreement) and the Australian Postal Corporation – United States Postal Service Bilateral Agreement (AUP Agreement) to establish the parameters for IMRS-NPR in these countries.<sup>2</sup> It states that it may negotiate additional bilateral agreements with other foreign postal operators to offer the same service for returns from other countries using either Air Parcels or EMS. Notice at 7. If the Postal Service executes such arrangements, it intends to provide notice to the Commission and furnish updated model contract, prices, and supporting financial information in this docket. *Id.*

B. Consistency with Section 3641(b) Requirements

*Significantly different product.* Section 3641(b)(1) requires that the experimental product offered in a market test be “from the viewpoint of the mail users, significantly different from all products offered by the Postal Service within the 2-year period preceding the start of the test.” 39 U.S.C. § 3641(b)(1). The Postal Service asserts that IMRS-NPR is significantly different from all products offered within the past two years. Notice at 3-4. The Postal Service states that the traditional Universal Postal Union (UPU) International Business Reply Service (IBRS) product and a bilateral version of that product with Canada are the only two existing international return solutions offered by the Postal Service. *Id.* at 4. It asserts that neither has the same scope as IMRS-NPR. It notes that the IBRS product is a prepaid international business reply service limited to cards and letters under 50 grams. It states that foreign postal operations may opt-in to enabling IBRS limited to 2 kilograms. *Id.* By contrast, it affirms that the IMRS-NPR product has a maximum weight of 30 kilograms, which allows the service to be used for much larger parcels than the traditional IBRS product. *Id.* In

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<sup>2</sup> See Letter from Anthony Alverno, Chief Counsel, United States Postal Service, to Shoshana Grove, Secretary, Postal Regulatory Commission (May 6, 2013); Letter from Anthony Alverno, Chief Counsel, United States Postal Service, to Shoshana Grove, Secretary, Postal Regulatory Commission (June 28, 2013).

addition, unlike the existing IBRS programs, the IMRS-NPR service will offer the tracking services normally offered in connection with Air Parcels. *Id.*

*Market disruption.* Section 3641(b)(2) requires that “[t]he introduction or continued offering of the product will not create an unfair or otherwise inappropriate competitive advantage for the Postal Service or any mailer, particularly in regard to small business concerns.” 39 U.S.C. § 3641(b)(2). The Postal Service contends that the IMRS-NPR offering is designed to improve the return experience for customers, which will generate more package deliveries that do not currently exist within the postal system. Notice at 5. It asserts that merchants who perceive international returns as a major barrier to selling abroad will have improved opportunity for international growth through the IMRS-NPR product. *Id.* It states that it is unaware of any small businesses that currently offer, or plan to offer, comparable services for these volumes. *Id.* However, it does anticipate small businesses choosing to use the IMRS-NPR product once it is offered, which will benefit them by expanding ease of use to customers. *Id.* It concludes that the IMRS-NPR product provides small businesses with an additional option for their international shipping needs. *Id.*

*Correct categorization.* Section 3641(b)(3) requires that the experimental product be correctly classified as either market dominant or competitive. 39 U.S.C. § 3641(b)(3). The Postal Service classifies IMRS-NPR as a competitive product because IMRS-NPR is designed for packages that do not fall under the Private Express Statutes. Notice at 5. It asserts that the contents of IMRS-NPR are unlikely to contain any letters. *Id.* at 6. It contends that the minimum price of IMRS-NPR will exceed six times the First-Class Mail single-piece first ounce rate. In addition, it notes that FedEx, UPS, and DHL each offer return products. *Id.*

*Duration.* Section 3641(d)(1) prohibits market tests from exceeding 24 months, absent an extension. 39 U.S.C. § 3641(d)(1). The Postal Service states that the market test will begin on or shortly after August 15, 2013 and run for two calendar years. Notice at 6. The Postal Service intends to offer negotiated service agreements

to customers during the two-year market test period, and the contracts will have standard one-year terms. *Id.* To the extent that negotiated service agreements have terms that extend beyond the two-year period of the market test, the Postal Service requests that the Notice serve as an application for extension under 39 U.S.C. 3641(d). *Id.* It asserts that the extension would only be requested to satisfy existing contractual obligations, and no new agreements would be initiated with merchants after the two-year period of the market test. *Id.* at 6-7.

*Revenue limitation.* Section 3641(e)(1) limits total revenues anticipated or received by the Postal Service from the market test to \$10 million per year. 39 U.S.C. § 3641(e)(1). The Postal Service does not anticipate revenues from IMRS-NPR to exceed \$10 million in any year, subject to inflation. Notice at 7; see 39 U.S.C. 3641(e). If circumstances change, the Postal Service states that it will seek further relief upon submission of an application for exemption from the \$10 million limitation. *Id.*

*Data collection.* The Postal Service states that data would be reported at quarterly intervals following the conclusion of the term of each agreement. Notice at 8. Spreadsheets would include the costs, revenues, and volumes associated with each agreement. *Id.*

### III. PROCEDURAL HISTORY AND COMMENTS

The Commission noticed the filing and gave interested persons the opportunity to submit comments on whether the Postal Service's filing is consistent with the policies of 39 U.S.C. § 3641.<sup>3</sup>

The Public Representative filed comments on July 12, 2013.<sup>4</sup> She concludes that the proposed market test complies with the requirements of subsections (b) and (e)

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<sup>3</sup> Order No. 1771, Notice and Order Concerning Market Test of Experimental Product – International Merchandise Return Service—Non-Published Rates, July 3, 2013.

<sup>4</sup> Public Representative Comments and Request for Early Termination of Non-Public Status, July 12, 2013 (PR Comments).

section 3641. *Id.* at 1-2. However, she argues that the Commission should deny the Postal Service's request to extend the duration of the market test. *Id.* at 2. She asserts that the Postal Service's filing raises ancillary issues that include "the clarity of the proposed model contract, the scope of the proposed market test, the sufficiency of the data collection requirements proposed by the Postal Service, and the accuracy of the Postal Service's proposed Mail Classification Schedule (MCS) language." *Id.*

In addition, the Public Representative recommends that the Commission issue a preliminary determination of non-public status under 39 C.F.R. § 3007.32 concerning information in the CPC and AUP Agreements. *Id.* Alternatively, she requests early termination of non-public status under 39 C.F.R. § 3007.31 so that this information is publicly disclosed. *Id.*

The Postal Service filed reply comments on July 23, 2013.<sup>5</sup> It notes that the Public Representative agrees that the market test satisfies the requirements of section 3641(b). *Id.* at 1. It argues that an extension of the market test is necessary to gauge the desirability and feasibility of the IMRS-NPR product. *Id.* at 2. It responds to the Public Representative's comments regarding the model contract, rules of liability, modifications to the CPC and AUP Agreements, changes to data collection, clarification of tracking included with IMRS-NPR, and information filed under seal. *Id.* at 3-8.

#### IV. COMMISSION ANALYSIS

Based on a review of the record—including the Postal Service's filing, the Public Representative's comments, and the Postal Service's reply comments—the Commission concludes that the proposed market test meets the requirements of 39 U.S.C. § 3641. Accordingly, the market test may proceed as scheduled.

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<sup>5</sup> United States Postal Service Response to Comments of the Public Representative, July 23, 2013 (Postal Service Reply Comments). The Postal Service filed an accompanying United States Postal Service Motion for Leave to File Response to Comments of the Public Representative, July 22, 2013. The motion is granted.

A. Section 3641 Conditions

*Significantly different product.* The Postal Service distinguishes IMRS-NPR from the two existing international return solutions offered by the Postal Service: UPU IBRS and a bilateral version of that product with Canada. Postal Service Reply Comments at 4. The Public Representative agrees that IMRS-NPR is a significantly different product. PR Comments at 4.

The Commission finds that IMRS-NPR is significantly different from any product offered by the Postal Service within the past 2 years and therefore satisfies 39 U.S.C. § 3641(b)(1). Neither UPU IBRS nor the bilateral version with Canada has the same scope as IMRS-NPR. UPU IBRS is limited to cards and letters of up to 50 grams at UPU rates and for cards and letters of up to 2 kilograms under the bilateral agreement with Canada. By contrast, the IMRS-NPR product has a maximum weight of 30 kilograms, which can be used for much larger parcels. Unlike UPU IBRS and the bilateral agreement with Canada, IMRS-NPR will offer the tracking services normally offered in connection with Air Parcels.

*Market disruption.* The Postal Service contends that there is no reasonable expectation that the IMRS-NPR market test would create an “unfair or otherwise inappropriate” competitive advantage for the Postal Service or any mailer with regard to any other party (including small businesses). Notice at 5. The Public Representative states that the probability of the Postal Service unfairly favoring particular mailers in the market test is low. PR Comments at 5.

The Commission finds that the Postal Service adequately addressed the issues raised regarding market disruption under section 3641(b)(2). The IMRS-NPR product will likely generate more package deliveries that currently do not exist within the postal system. Merchants who perceive international returns as a major barrier to selling abroad may use the IMRS-NPR product to facilitate the international returns process.

The market test also appears unlikely to create an unfair advantage for particular mailers. The Postal Service is offering a competitive return service on an experimental basis. Mailers that are not participating in the market test have other return options, including FedEx, UPS, and DHL. Notice at 6. Furthermore, while not dispositive, no mailer or small business concern (or representative of the industry) filed in opposition to this market test.

*Correct characterization.* The Postal Service classifies IMRS-NPR as a competitive product. *Id.* at 5. The Public Representative agrees with this classification. PR Comments at 4. The Commission finds that the Postal Service has properly categorized IMRS-NPR as a competitive product and therefore satisfies 39 U.S.C. § 3641(b)(3). IMRS-NPR is designed for packages that do not fall under the Private Express Statutes, and the minimum price of IMRS-NPR will exceed six times the First-Class Mail single-piece first ounce rate. Notice at 5-6. Competition can be found in the return shipping market place because FedEx, UPS, and DHL also offer return products with their service offerings. *Id.* at 6.

*Duration.* The Postal Service states that the market test will begin on or shortly after August 15, 2013 and run for two calendar years. *Id.* at 6. The Postal Service intends to offer negotiated service agreements to customers during the two-year market test period, and the contracts will have standard one-year terms. *Id.* To the extent that negotiated service agreements have terms that extend beyond the two-year period of the market test, the Postal Service requests that the Notice serve as an application for extension under 39 U.S.C. § 3641(d). *Id.* It asserts that the extension would only be requested to satisfy existing contractual obligations, and no new agreements would be initiated with merchants after the two-year period of the market test. *Id.* at 6-7.

The Public Representative opposes the Postal Service's request for extension. PR Comments at 6. She argues that the request is unsupported by any evidence of the necessity of continuing the proposed market test for more than two years. *Id.* She



recommends that the Commission deny the request for extension “unless and until the Postal Service can explain why an additional year is necessary.” *Id.*

The Postal Service responds that an extension will be limited to the continuation of one-year agreements executed during the second year, and that no new contracts would be entered into during the third year of the market test. Postal Service Reply Comments at 2. It asserts that an extension is necessary to gauge the desirability and feasibility of IMRS-NPR. *Id.* It argues that denying the request would inconvenience customers executing agreements during the second year, which would be subject to a termination date of August 14, 2015. *Id.* It contends that denying the request would also create practical problems for the Postal Service and the Commission, particularly if the Postal Service decides to make IMRS-NPR a permanent product. *Id.*

The Commission finds that an extension of the IMRS-NPR market test is “necessary in order to determine the feasibility or desirability” of the experimental product. See 39 U.S.C. § 3641(d)(2). The extension is limited to the continuation of one-year agreements executed in the second year. No new contracts would be executed during the third year of the market test. Postal Service Reply Comments at 2. Granting the extension now will eliminate any uncertainty about second-year contracts’ terms, benefitting mailers and the Postal Service. The longer term should also prove useful in assessing the demand for the experimental product. Lastly, as the Postal Service points out, denying the extension may pose practical problems for the Postal Service and the Commission should the Postal Service request that IMRS-NPR become a permanent product. *Id.* at 2-3.

*Revenue limitation.* The Postal Service does not anticipate that revenues for IMRS-NPR will exceed the \$10 million annual limitation (as adjusted for inflation) based on current projections in accompanying financial models. Notice at 7. The Public Representative agrees that the proposed market test is unlikely to generate total revenues exceeding the annual limitation. PR Comments at 5. The Commission accepts the Postal Service’s general estimate of the potential market. If the actual

results exceed expectations, the Postal Service may request an exemption from the annual limitation before the annual limitation is reached. See 39 U.S.C. § 3641(e)(2).

B. Ancillary Issues

*Model contract terms.* The Public Representative recommends that the Postal Service revise the model contract “to provide its customers with a better understanding of their contractual obligations and to protect the Postal Service against unnecessary litigation.” PR Comments at 7. The proposed changes include: (1) specifying whether the mailer may only use an advance deposit account for Merchandise Return Mail (MRS) in Article 6, paragraph 3, or whether the mailer has the option to use either an advance deposit account for Merchandise Return Service or an advance deposit account for Qualified Business Reply Mail (QBRM); (2) revising Article 6, paragraph 4 to indicate whether there is additional information that the mailer is required to treat as confidential; (3) resolving a possible conflict between Article 6, paragraph 5 and Article 23; (4) revising a sentence in Article 7, paragraph 1 so that that prices will increase by the same *percentage* as the increase in costs; and (5) using uniform terms for IMRS and MRS throughout the contract. *Id.* at 7-9.

The Postal Service addresses each proposed change in its reply comments. The Postal Service agrees to adopt change 5. Postal Service Reply Comments at 3. It filed a revised contract template as an attachment to its reply comments to reflect this change, as well as the changes in items (1) and (2). *Id.*, Attachment 1. To address item (1), the Postal Service revises the contract template to state that the contract mailer must pay its postage using an advance account for Merchandise Return Service. *Id.*; Postal Service Reply Comments at 3. To address item (2), the Postal Service revises the contract template to make it clear that there is no additional information the mailer is required to treat as confidential. *Id.*

However, the Postal Service disagrees with proposed changes (3) and (4). With regard to item (3), the Postal Service maintains that there are no conflicting

responsibilities pertaining to mailer responsibilities in Article 6, paragraph 5 and Article 23. *Id.* at 3-4. With regard to item (4), the Postal Service argues that costs should be passed through in their totality if above a given threshold rather than reflected as a percentage. *Id.* at 3. The Commission separately addresses items (1), (3), and (4) below.

The Postal Service revised the contract language to address item (1) by deleting the extraneous word “either.” The Public Representative’s concern, however, was with the wording of Article 6, paragraph 3, which seems to suggest that a mailer may only use an advance deposit account for MRS mail. PR Comments at 7-8. QBRM mailers may qualify for IMRS-NPR. Article 6, paragraph 1. QBRM mailers use advance deposit accounts to pay postage. To the extent there is any ambiguity in Article 6, paragraph 3, the Postal Service may wish to delete the phrase “for Merchandise Return Service”.

With respect to item (3), the Commission understands the Public Representative’s concerns with ensuring that Article 6, paragraph 5 and Article 23 establish the same contractual responsibilities for mailers. In the revised model contract, the Postal Service modified Article 6, paragraph 5 by deleting the phrase “and to take steps to ensure that the contents of IMRS comply with the importation restrictions of the United States....” Although the Postal Service does not mention this change in its comments, the revised Article 6, paragraph 5 appears to eliminate any conflict between it and Article 23.

With regard to item (4), the Commission sees no issue with the Postal Service’s proposed treatment to modify contract prices pursuant to Article 7, paragraph 1. The Postal Service has the purview to negotiate with mailers how it will increase prices in the event that the costs for administering the contract are higher than anticipated. The Postal Service’s treatment would allow for the contract prices to be increased such that they cover the amount of the unanticipated costs. In addition, this proposed treatment is consistent with the practice for other international negotiated service agreements.

*Modifying bilateral agreements.* The Postal Service states that it contemplates entering into additional IMRS-NPR bilateral agreements and “intends to furnish notice to the Commission...in this docket.” Notice at 7. The Public Representative critiques the Postal Service’s proposal of filing notice of new agreements or amendments only in Docket No. MT2013-2. She notes that the Postal Service provided notice of the CPC and AUP Agreements in the form of letters to the Commission’s Secretary under 39 U.S.C. § 407(d)(2), thus relegating them to the periodic reports section of the Commission’s files. PR Comments at 9. She argues that an amendment to a bilateral agreement should be filed concurrently in this docket and the docket established for the underlying bilateral agreement. *Id.* at 10.

The Postal Service responds that the four dockets established the CPC and AUP Agreements are limited to the review of remuneration received by the Postal Service from foreign operators. Postal Service Reply Comments at 5. It notes that the modification to the CPC and AUP Agreements pertain to payments made by the Postal Service to those foreign operators for handling IMRS. *Id.* It argues that because these payments are made by the Postal Service, they do not consist of rates subject to review by the Commission. *Id.* Thus, the Postal Service concludes that it was appropriate to file these modifications in the same manner as other filings under 39 U.S.C. § 407(d)(2). *Id.*

The Public Representative’s comments have merit. The Commission recognizes that the section 407(d)(2) filings concerning modification to the CPC and AUP Agreements relate to payments made by the Postal Service to foreign postal operators. Linking those filings under 39 U.S.C. § 407(d)(2) to the docket related to the same bilateral agreement would simplify the Commission’s administration of the relevant bilateral agreements, serve the interests of transparency, and not burden the Postal Service. Future filings may follow the past practice, except to identify the relevant docket in the subject line of the letter and to file the letter in that docket. Future filings

also should be made within the time period specified in section 407(d)(2); i.e., "...not later than the effective date of such contract."

*Effect of CPC and AUP Agreements on model contract.* The Public Representative argues that two terms of the CPC and AUP Agreements may conflict with two terms of the model contract that relate to rules of liability and non-public information. PR Comments at 10. First, she argues that the Commission should require the Postal Service to notify the Commission of any rules of liability established under an IMRS bilateral agreement. *Id.* She also contends that the Postal Service should identify any necessary changes to Article 17 of the model contract and describe the effect of the rules of liability on existing IMRS-NPR contracts. *Id.*

The Postal Service responds that the model contract establishes that the Postal Service shall not be liable under the bilateral agreement. Postal Service Reply Comments at 4. It asserts that if rules concerning liability change in the future with respect to new agreements, the Postal Service will inform the Commission of changes to the model contract and notify the Commission of modifications to existing agreements. *Id.*

The Commission finds that the Postal Service adequately addressed the Public Representative's concern. The Postal Service routinely files notice with the Commission of changes to existing contracts. The Postal Service intends to continue to follow that procedure regarding the model contract and existing bilateral agreements.

Second, the Public Representative seeks to unseal information in both the CPC and AUP Agreements. PR Comments at 11-12. Specifically, she requests that the Commission designate as public the information contained in the second paragraph in Article 2 under the heading "Operational Procedures of the International Merchandise Return Service (IMRS)." *Id.* The Postal Service argues that this information consists of service details that could be deemed commercially sensitive prior to the unveiling of the

market test. Postal Service Reply Comments at 7. However, it does not oppose lifting the seal. *Id.*

The Commission will grant the Public Representative's requests to unseal the second paragraph in Article 2 under the heading "Operational Procedures of the International Merchandise Return Service (IMRS)." The Postal Service does not explain why the information in question continues to be commercially sensitive now that the market test has been filed with the Commission. The Postal Service is directed to file the unredacted pages of the CPC and AUP Agreements in this docket and the dockets underlying the agreements.

*Data collection requirements.* The Public Representative suggests that the Commission require the Postal Service to report information about agreements that terminate early, in addition to agreements that expire at the conclusion of their one-year term. PR Comments at 12. She argues that if the Postal Service requests IMRS-NPR become a permanent product, the Commission should require submission of the most recent data for all agreements entered into as of the date of the request, including agreements that have not yet terminated or expired. *Id.* at 12-13. The Postal Service responds that it intended to incorporate data on expired agreements into its filings with the Commission, and will continue to do so. Postal Service Reply Comments at 6. It believes that if it requests IMRS-NPR to become a permanent product, it is unnecessary to require submission of the most recent data for all agreements entered into as of the date of the request. *Id.*

The Commission finds that the Postal Service adequately addressed the Public Representative's concern. As planned, the Postal Service's quarterly data filings should include IMRS-NPR agreements that terminate early.

The Public Representative recommends that the Commission require the Postal Service to explain the financial and other effects of the market test on the UPU pay-for-performance requirements. *Id.* In response, the Postal Service questions why

an explanation of the financial and other effects of the market test on UPU pay-for-performance requirements is necessary. *Id.* at 6. It states that the flow of IMRS-NPR from Canada and Australia is likely to be low relative to all parcel flows in each lane. *Id.* It notes that parties to bilateral agreements may revisit their pay-for-performance requirements in the future to exclude IMRS-NPR from calculations, but this fact is inconsequential to the market test. *Id.*

The Commission does not believe that the UPU pay-for-performance issue needs to be considered at this time. Should the Postal Service request to add IMRS-NPR as a permanent product to the MCS, the Commission will consider this issue. Nevertheless, the Postal Service has expressed that parties can seek to revise their pay-for-performance requirements to exclude IMRS-NPR. Therefore, should the Postal Service choose to file a request to add IMRS-NPR as a permanent product, its request should address whether the IMRS-NPR product will be included or excluded from the pay-for-performance requirements for each bilateral agreement.

The Public Representative also suggests that the Postal Service explain whether any costs or revenues from IMRS-NPR will be attributed to the USPS Tracking service.<sup>6</sup> PR Comments at 13. The Postal Service responds that IMRS-NPR is included in the Air Parcels stream and may be included in the EMS stream in the future. Postal Service Reply Comments at 7. It states that the tracking offered with these streams is not separately classified, but is an integral part of the products in question. *Id.* It asserts that there is no need to consider the costs of the Postal Service's tracking products because to the extent those costs arise, they should be captured within existing data systems. *Id.*

Neither 39 U.S.C. §§ 3622 or 3633 applies to experimental products. However, costs and revenues attributable to a product identified as competitive must be included

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<sup>6</sup> USPS Tracking (formerly Delivery Confirmation) is a service offering under the market dominant Ancillary Services product. See (Draft) Mail Classification Schedule, at [www.prc.gov](http://www.prc.gov), posted April 1, 2013 (with revisions through July 31, 2013), section 1505.8.

in any determination under 39 U.S.C. § 3633(a)(3). 39 U.S.C. § 3641(b)(3). The issue raised by the Public Representative may be of concern if the Postal Service proposes to make IMRS-NPR a permanent product. The Commission will address this issue if and when the Postal Service files such a request.

*MCS language.* The Public Representative asserts that draft MCS language should be included in subpart 2800, which describes market tests, rather than section 2515, which describes competitive inbound international negotiated service agreements. PR Comments at 13-14. She contends that the draft MCS language should state that package tracking services are included as a feature of IMRS and should specify whether the IMRS package tracking will be provided through the USPS Tracking product. *Id.* at 14. The Postal Service does not specifically address MCS issues in its reply comments.

The Commission agrees with the Public Representative that the draft MCS language for the IMRS-NPR market test should be included in subpart 2800 for market tests. The current practice for listing market tests in the MCS is to note the docket number, authorizing order, and expiration date.<sup>7</sup> The MCS will be amended to reflect the inclusion of the IMRS-NPR market test. With this in mind, it is not necessary to consider the Public Representative's suggestion that the draft market test MCS language state that tracking is a feature of IMRS-NPR.

## V. ORDERING PARAGRAPHS

*It is ordered:*

1. Based on the record before it, the Commission finds that the proposed International Merchandise Return Service – Non-Published Rates market test is consistent with 39 U.S.C. § 3641.

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<sup>7</sup> See (Draft) Mail Classification Schedule, Posted April 1, 2013 (with revisions through July 31, 2013), section 2801.



2. The Postal Service's application for an extension of the market test under 39 U.S.C. § 3641 (d)(2) is granted.
3. The Postal Service is directed to file the unredacted pages of the Canada Post – USPS Contractual Bilateral Agreement 2012-2013 and Australian Postal Corporation – United States Postal Service Bilateral Agreement as described in the body of this Order.
4. Conforming modifications will be made to the draft Mail Classification Schedule.
5. The revision to the competitive product list appears below the signature of this Order and is effective immediately.
6. The Secretary shall arrange for publication in the *Federal Register* of an updated product list reflecting the change made in this Order.

By the Commission.

Shoshana M. Grove  
Secretary

CHANGE IN MAIL CLASSIFICATION SCHEDULE  
CHANGE IN PRODUCT LIST

The following material represents changes to the product list codified in Appendix A to 39 C.F.R. part 3020, subpart A—Mail Classification Schedule. These changes reflect the Commission's order in Docket No. MT2013-2. The Commission uses two main conventions when making changes to the product list. New text is underlined. Deleted text is struck through.

## Part B—Competitive Products

### 2000 Competitive Product List

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### Market Tests

Metro Post

International Merchandise Return Service (IMRS)—Non-Published Rates